

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 2549**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

ADOPTED JANUARY 4, 2010

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Camden)**

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**Assemblyman LOUIS D. GREENWALD**

**District 6 (Camden)**

**Assemblywoman LINDA R. GREENSTEIN**

**District 14 (Mercer and Middlesex)**

**Co-Sponsored by:**

**Assemblywoman Wagner, Assemblymen Diegnan, Coutinho, Schaer and Moriarty**

**SYNOPSIS**

“Nursing Faculty Loan Redemption Program Act.”

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly Appropriations Committee.



**(Sponsorship Updated As Of: 1/8/2010)**

1 AN ACT establishing the Nursing Faculty Loan Redemption  
2 Program and supplementing chapter 71B of Title 18A of the New  
3 Jersey Statutes.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. This act shall be known and may be cited as the “Nursing  
9 Faculty Loan Redemption Program Act.”

10  
11 2. The Legislature finds and declares that:

12 a. This State is experiencing a critical shortage in its nursing  
13 workforce, which is expected to worsen in the next two decades. In  
14 New Jersey, as well as nationwide, the shortage of faculty in  
15 schools of nursing is reaching crisis proportions. Insufficient  
16 numbers of faculty hinder schools’ efforts to increase their capacity.

17 b. According to projections by the Health Resources and  
18 Services Administration of the federal Department of Health and  
19 Human Services, New Jersey is estimated to be 49% below demand,  
20 resulting in a shortfall of 42,400 registered professional nurse full-  
21 time equivalent positions throughout the State by 2020.

22 c. The demand for nurses at all levels of training and in all  
23 health care settings, including hospitals, nursing homes, veterans’  
24 homes and home health care and community-based programs, is  
25 increasing as the population gets older. Recent data from schools of  
26 nursing in New Jersey show that there is an increased interest in  
27 nursing by potential students; 67% of schools of nursing in the State  
28 turned away qualified student applicants and 57% report numbers of  
29 enrollments greater than their current capacity to educate students.

30 d. The average age of New Jersey’s registered professional  
31 nurses and licensed practical nurses is increasing each year; in 2007  
32 54.4% of the State’s registered professional nurses were between 46  
33 and 60 years of age and 13.3% were more than 60 years of age;  
34 29% of non-retired registered professional nurses were older than  
35 55 years of age. These findings indicate that, assuming the majority  
36 of nurses retire at 65 years of age, the State will need to replace one  
37 third of its nursing workforce over the next 10 years.

38 e. The number of full-time faculty positions currently budgeted  
39 in New Jersey’s schools of nursing totals 575 full-time equivalents.  
40 Of these, six percent, or 35 full-time equivalents, were vacant in  
41 October 2004; 54% of the nursing schools in the State reported  
42 faculty vacancies.

43 f. The faculty shortage is part of the larger picture and all areas  
44 must be addressed as nurses are vital to the public’s health.  
45 Research indicates that without sufficient numbers of well-  
46 qualified nurses, patients’ lives and well-being are at increased risk.  
47 The minimum educational requirement of a nursing instructor  
48 according to the New Jersey Board of Nursing regulations is a

1 master's degree in nursing (MSN). For nursing faculty in the  
2 State's 13 associate degree programs in community colleges and 11  
3 diploma programs in hospitals, a MSN is required. Many schools  
4 also require that faculty be certified in the specialty practice area in  
5 which they teach.

6

7 3. As used in this act:

8 "Approved graduate degree program" means a master's degree in  
9 nursing (MSN), a doctor of nursing science degree (DNS), a doctor  
10 of nursing practice degree (DPN), a doctor of philosophy degree  
11 (PhD) in nursing or another relevant field of study.

12 "Authority" means the Higher Education Student Assistance  
13 Authority established pursuant to N.J.S.18A:71A-3.

14 "Eligible student loan expenses" means the cumulative total of  
15 the annual student loans covering the cost of attendance at an  
16 approved graduate degree program. Interest paid or due on student  
17 loans that an applicant has taken out for use in paying the costs of  
18 such education shall be considered eligible for reimbursement under  
19 the program.

20 "Participant" means a person who has completed an approved  
21 graduate degree program at an accredited public or independent  
22 institution of higher education, and who participates program.

23 "Program" means the Nursing Faculty Loan Redemption  
24 Program established pursuant to this act.

25

26 4. a. There is established within the Higher Education Student  
27 Assistance Authority the Nursing Faculty Loan Redemption  
28 Program. The purpose of the program is to address the current and  
29 projected critical shortage of nurse faculty in the State by providing  
30 an incentive for persons to enter graduate nursing education  
31 programs and for persons already trained as nurses to advance their  
32 training in the profession so as to ensure that sufficient numbers of  
33 nursing faculty are available to train nursing students, and the  
34 State's hospitals, nursing homes, veterans' facilities and home care  
35 services and community care programs will have sufficient, trained  
36 nursing staff in the future to provide quality health care services to  
37 the residents of this State.

38 The program shall provide loan redemption in exchange for full-  
39 time faculty employment at a school of nursing in the State for a  
40 five-year period following completion of the approved graduate  
41 degree program. The authority may establish a limit on the total  
42 amount of student loans which may be redeemed for participants  
43 under the program.

44 b. In developing the program, the authority shall collaborate  
45 with the Robert Wood Johnson Foundation New Jersey Nursing  
46 Initiative and such other entities as the authority deems appropriate.

- 1       5. To be eligible to participate in the program, an applicant  
2 shall:
- 3       a. be a resident of the State and maintain domicile in the State  
4 during participation in the program; and
- 5       b. (1) have obtained a master's degree in nursing (MSN), a  
6 doctor of nursing science degree (DNS), a doctor of nursing  
7 practice degree (DNP), a doctor of philosophy degree (PhD) in  
8 nursing or another relevant field of study within a one-year period  
9 prior to being hired for full-time faculty employment on or after the  
10 date of enactment of this act; and
- 11       (2) have maintained a grade point average of 3.0 or higher on a  
12 scale of 4.0, or its equivalent, while enrolled in an approved  
13 graduate degree program.
- 14
- 15       6. a. A graduate nursing student or graduate may apply to the  
16 authority for a loan redemption in such manner as prescribed by the  
17 authority.
- 18       b. A program participant shall enter into a written contract with  
19 the authority to participate in the program. The contract shall  
20 specify the duration of the applicant's required service and the total  
21 amount of eligible student loan expenses to be redeemed by the  
22 authority in return for service.
- 23       c. A participant who has entered into a redemption contract  
24 with the authority may nullify that contract by submitting written  
25 notification to the authority and assuming full responsibility for  
26 repayment of the full amount of the loan or that portion of the loan  
27 that has not been redeemed by the State in return for partial  
28 fulfillment of the contract.
- 29       d. In the case of a participant's death or total or permanent  
30 disability, the authority shall nullify the service obligation of the  
31 participant; or where continued enforcement of the contract may  
32 result in extreme hardship, the authority may nullify or suspend the  
33 participant's service obligation.
- 34
- 35       7. The authority shall annually submit to the Governor, and  
36 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the  
37 chairman of the Senate Budget and Appropriations Committee, the  
38 chairman of the Assembly Appropriations Committee, the chairmen  
39 of the Senate and Assembly Education Committees, and the  
40 chairmen of the Senate and Assembly Health Committees, a report  
41 on the program. The report shall be submitted no later than August  
42 1 of each year and shall include, but not be limited to, the following  
43 information for the prior fiscal year:
- 44       a. the total number of participants receiving loan redemption  
45 under the program;
- 46       b. the total number of participants who withdrew from the  
47 program or failed to complete the program's employment  
48 requirement; and

- 1 c. the effect of the program on filling vacant nurse faculty  
2 positions in the State and eliminating the need to turn away  
3 qualified nursing school applicants.  
4
- 5 8. The Higher Education Student Assistance Authority shall  
6 adopt, in accordance with the Administrative Procedure Act,  
7 P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as may  
8 be necessary to implement the provisions of this act.  
9
- 10 9. Of the funds annually appropriated for the Primary Care  
11 Physician and Dentist Loan Redemption Program established in the  
12 Higher Education Student Assistance Authority pursuant to  
13 P.L.1999, c.46 (C.18A:71C-32 et seq.), 25% shall be dedicated to  
14 the Nursing Faculty Loan Redemption Program established  
15 pursuant to this act. The program shall be administered directly by  
16 the Higher Education Student Assistance Authority.  
17
- 18 10. This act shall take effect July 1, 2010; however, the  
19 authority may take such anticipatory administrative action in  
20 advance thereof as shall be necessary to implement the provisions  
21 of this act.